

## Finance Committee Charter

### **Mission**

The Finance Committee (Committee) is a standing committee appointed by International Council (IC) to assist IC in the oversight of (a) the integrity of the consolidated financial statements of the Sorority; (b) the independent auditor's qualifications, independence and performance; (c) achievement of the Sorority financial objectives; (d) the Sorority's investments; (e) compliance by the Sorority with financial legal and regulatory requirements; and (f) development of the Sorority's policies and practices with respect to major financial risk exposures. This Committee will replace the existing Financial Advisory Board pending 2018 Bylaw changes.

### **Authority and Responsibilities**

#### *Budgeting and Financial Planning*

1. Approve a draft consolidated Sorority annual budget ensuring appropriate base assumptions and the integration of strategic plan objectives and initiatives, subject to final approval by IC.
2. Review and discuss with management significant tax matters.
3. Review and approve all applicable tax forms (990).

#### *Audit*

1. Establish a policy about how often an auditor's performance is evaluated and participate in the selection process.
2. Review the management recommendation letter from the auditor and ensure follow up on any issues.

#### *Investment and Finances*

1. Develop an investment policy detailing the objectives of the investment portfolio, guidelines on the asset allocation of the portfolio based on a predetermined level of risk tolerance, authorizations for executing transactions, disposition of earned income, etc.
2. Ensure that provisions of the investment policy are followed.
3. Review the investment policy at least annually, and update if necessary.
4. Establish a time frame to evaluate the Sorority's investment advisors, and if necessary participate in the selection and appointment of a new investment advisor.
5. Draft guidelines to manage cash to optimize earned revenue.

#### *Evaluate Performance*

1. Review revenue and expenses.
2. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
3. Monitor adherence to the budget.
4. Monitor applicable financial Sorority strategic plan goals.
5. Review any multi-year operating budgets that integrate strategic plan objectives and initiatives.
6. Review all financial-related goals and proposals prior to submission to IC for approval.
7. Review the draft annual audit as presented by the auditor, including a discussion of any difficulties encountered in the audit.

#### *Educate the Board*

1. The Committee shall review with IC any issues that arise with respect to the quality or integrity of the Sorority's financial statements, the Sorority's compliance with legal or regulatory financial requirements, the performance of the Sorority's investments and

the performance and independence of the Sorority's independent auditors or the performance of the internal audit function.

## **Organization**

### *Review of Charter/Performance*

This charter shall be reviewed and reassessed by the Committee at least annually, and any proposed changes shall be submitted to the IC's Governance Committee (the Governance Committee) for approval. In addition, at least annually, the Committee shall evaluate its performance. The chairwoman of the Committee, together with the Governance Committee, shall determine the form and nature of the annual self-evaluation. The chairwoman of the Committee shall report the results of the evaluation to the Governance Committee.

### *Membership/Structure/Quorum*

The Committee will include two members of IC, one of whom shall serve as chairwoman. The International President shall also serve on the Committee in an ex-officio voting position. IC will appoint two to three volunteers to serve on the Committee. Volunteer appointments shall be made for a staggering term of two years. Volunteers may serve for no more than three consecutive terms on the Committee. All volunteers appointed to the Committee will possess audit, financial, investment or legal expertise. Volunteer appointments to the Committee shall be made in the same manner as all other Sorority volunteer appointments, with the chairwoman of the Committee making the decision on all volunteer appointments. All members of the Committee will have voting rights. A quorum shall consist of a majority of the voting members of the Committee. Committee members can participate via conference call. The chief financial officer, director of Accounting and executive director of Gamma Phi Beta Sorority, Inc. shall be non-voting staff liaisons to the Committee.

### *Meetings*

The Committee shall hold regular meetings at least four times yearly and as necessary via conference call, and can meet more frequently as circumstances require. When appropriate, the Committee may meet in person. The Committee can communicate between meetings via email communication.

### *Agenda, Minutes and Reports*

Agendas for the Committee meetings shall be prepared by the chairwoman in collaboration with the staff liaisons. The Committee shall keep minutes of meetings and provide quarterly reports to IC. Minutes of all meetings shall be approved by Committee members at the following meeting. The chairwoman shall designate one of the staff liaisons to serve as secretary of the Committee.

## **2018 Bylaw Considerations**

The section concerning the Financial Advisory Board will need reworking in Article X to become the Finance Committee. It is recommended authorization for a committee working on behalf of IC be so designated by Board resolution if IC decides to grant authority to this committee.